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FAX COVER SHEET

FAX NUMBER TRANSMITTED TO: (202) 219-3923

To: Federal Elections Commission
From: Karen L. Costello
Client/Matter: MUR No. 6446
Date: February 14, 2011

DOCUMENTS	NUMBER OF PAGES*
Response	7
Statement of Declaration of Counsel	1

COMMENTS:

Original to follow VIA UPS Next Day Air.

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February 14, 2011

VIA UPS Next Day Air and fax to: (202) 219-3923

Federal Elections Commission

General Counsel's Office

999 E Street, NW

Washington, DC 20486

Re: MUR 6446

Dear Sir or Madam:

Please be advised that I have been retained by the Coos Club of Coos Bay, Oregon to respond to the above-referenced complaint. Enclosed please find a duly executed Statement of Designation of Counsel form for your records. The following constitutes the response of the Coos Bay - North Bend Rotary Club.

RESPONSE

Rotary International is a non-profit organization organized under section 501 (c)(4) of the Internal Revenue Code. The Coos Bay-North Bend Rotary Club is a member in good standing organized of Rotary International. As such, the Coos Bay-North Bend Rotary Club is also a 501 (c)(4) tax exempt organization by virtue of its status as a division of Rotary International. It is not a 501 (c)(3) organization as alleged by the Complainant. A copy of the Coos Bay - North Bend Rotary Club's letter of good standing setting forth its 501 (c)(4) status is attached hereto as Exhibit 1 and incorporated herein by this reference.

Organizations that are exempt from federal income tax under 501(c)(4) are organized and operate for the promotion of social welfare, i.e., promoting the common good and general welfare of the people of the community, and may publicly advocate positions on public policy issues consistent with their not-for-profit purpose.

The Rotary Manual of Procedure at page 24 states in relevant part:

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"It is the duty of Rotarians . . . in their clubs, to keep under review political developments in their own communities and throughout the world insofar as they affect service in their ~~various~~ various and communities as well as the pursuit of the Rotary objective of world understanding and peace. They are expected to seek reliable information through balanced programs and discussions so that members can reach their own conclusions after a fair, collective examination of all issues." A copy of this page is attached hereto as Exhibit 2 and incorporated herein.

It is not inconsistent with the purpose of the Coos Bay-North Bend Rotary Club or the Rotary Manual of Procedure for a local rotary club to host a meeting for members during which a currently-serving legislator provides information to the membership on topics that concern the community, such as the status of current legislative activities. In doing so, the club does not advocate any particular position, though under the 501(c)(4) rules, it may.

On or about October 12, 2010, the Coos Bay - North Bend Rotary Club held its regularly scheduled Tuesday noon meeting. Currently-serving U.S. Congressman Peter DeFazio was a guest at the meeting, during which he provided the members with a general legislative update, including information on the positive legislative actions that had been taken on behalf of the community over the past year. His presentation was followed by a question and answer period, which allowed the members in attendance to engage in the type of discussion encouraged by the Rotary Manual, as set forth above. The October 12, 2010, meeting was not open to the public. The Complainant is not a member of the Coos Bay - North Bend Rotary Club and was not a guest of a Rotarian on October 12, 2010. The Affidavit of President James Molitor is attached hereto as Exhibit 3 and incorporated herein by this reference.

On or about October 18, 2010, the Complainant delivered a letter to the Coos Bay - North Bend Rotary Club demanding that the club host a debate, advertise the debate on the radio, and publish a political letter she had written in the local and regional newspapers. Complainant's letter is of record. It was apparent by the Complainant's letter and her demeanor that her true purpose was not to express her grievance, but to coerce the Coos Bay - North Bend Rotary Club to promote her own political opinions. This is evidenced by the Complainant's reference to "The American Exceptionalism Tour" and Scott Carpenter's efforts on behalf of Art Robinson's campaign for Congressman Peter DeFazio's congressional seat. Coos Bay - North Bend Rotary Club was approached by Astronaut Scott Carpenter about sharing the club's noon meeting space and co-hosting a presentation by Mr. Carpenter. The Coos Bay - North Bend Rotary Club was initially agreeable, but later declined, after learning of the partisan nature of Mr. Carpenter's presentation. Clearly, Complainant was a supporter of the Robinson campaign.

For the reasons set forth herein, the Coos Bay - North Bend Rotary Club did not violate the Election Regulations of 501 (c)(3) as it is not a 501 (c)(3) organization. If the Federal Election Commission elects to ~~not~~ not ~~consider~~ consider Complainant's allegations in light of the Election Regulations of 501(c)(4), the Coos Bay - North Bend Rotary Club did not

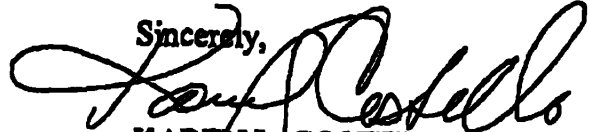
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violate the Election Regulations of 501 (c)(4) because the appearance of Congressman Peter DeFazio during the October 12, 2010, meeting was for the general information of the members in attendance and was offered in furtherance of the not-for-profit purpose of the organization, i.e., community betterment through service and education.

If you have any questions or require further information, please do not hesitate to contact my office.

Sincerely,



KAREN L. COSTELLO
Counsel for Coos Bay - North Bend Rotary
Club

KLC/kae
enc.

cc: James Molitor (w/enc.)

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ROTARY INTERNATIONAL



One Rotary Center
1540 Sherman Avenue
Evanston, IL 60201-3000 USA


6 August 1998

To Whom It May Concern:

Rotary International, a non-profit organization incorporated in Illinois, is exempt from federal income tax under 501 (c) (4) of the Internal Revenue Code. This exemption applies to all subordinate units, i.e. districts and clubs. The Rotary Club of Coos Bay-North Bend, Oregon is a member in good standing of Rotary International and has been since its admission on 1 March 1922.

Rotary International's group exemption number is 0573. The Employer Identification Number (EIN) for the Rotary Club of Coos Bay-North Bend, Oregon, as reported annually to the IRS, is 930513770.

Sincerely,


Frank Szycah, Jr.
Service Representative

sh

Phone: 617-484-3000

FAX: 617-484-3124

EXHIBIT No. 1

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MANUAL OF PROCEDURE 2007

makes contributions to the Foundation a condition of membership. Any reference to such contributions on membership identification cards is not authorized. (RCP 5.050.7)

Rotary and Politics

RI and its member clubs must refrain from issuing partisan political statements. Rotarians are prohibited from adopting statements with a view to exerting any corporate pressure on governments or political authorities. However, it is the duty of Rotarians:

- 1) In their clubs, to keep under review political developments in their own communities and throughout the world insofar as they affect service to their vocations and communities as well as the pursuit of the Rotary objective of world understanding and peace. They are expected to seek reliable information through balanced programs and discussions so that members can reach their own conclusions after a fair, collective examination of the issues.
- 2) Outside their clubs, to be active as individuals in as many legally constituted groups and organizations as possible to promote, not only in words but through exemplary dedication, the awareness of the dignity of all people and the respect of the consequent human rights of the individual. (89-134; RCP 2.100.)

Magazine Subscriptions

Each club in the United States of America and Canada makes it a condition of membership that its active members are paid subscribers to the official magazine. (RIB 20.020.2)

Each club outside of the United States of America and Canada makes it a condition of membership that its active members become and remain, as long as they hold membership, paid subscribers to a Rotary World Magazine Press (RWMP) publication (either *The Rotarian*, the official magazine of RI, or a Rotary regional magazine certified by the RI Board). (RIB 20.030.1.) A club may, however, be excused by the RI Board from complying with these provisions if its members are not literate in any of the languages of the official magazine or the certified regional magazine prescribed for the club. (RIB 20.030.2)

Rotary Regional Magazines

A Rotary regional magazine exists to advance the Object of Rotary in all its aspects. A Rotary publication that meets the following criteria may apply for certification and, upon RI Board approval, be listed as a certified Rotary regional magazine and a member of the RWMP. Recertification is required every five years:

- 1) The magazine serves an area of more than one district or country. Provisional status may be granted to magazines that serve a specific language community in one district, with potential for growth in additional districts.
- 2) All aspects for the publication of the magazine must be under the direct supervision of its editorial committee, which includes a current governor designate, a current incoming governor or designate, the magazine's editor in chief, and three past RI officers.
- 3) Recognizing the right of the editor of a Rotary regional magazine to enjoy full editorial freedom within the basic framework of Rotary policy, the editor must accept reasonable editorial and management supervision of the magazine's editorial board.



FEDERAL ELECTION COMMISSION

999 E Street, NW

Washington, DC 20463

STATEMENT OF DESIGNATION OF COUNSEL

Please use one form for each Respondent/Entity/TreasurerFAX (202) 219-3923MUR # 6446NAME OF COUNSEL: Karen L. CostelloFIRM: Corrigan & McClintockADDRESS: P.O. Box 178Coos Bay, OR 97420TELEPHONE- OFFICE (541) 269-1123FAX (541) 269-1126

The above-named individual and/or firm is hereby designated as my counsel and is authorized to receive any notifications and other communications from the Commission and to act on my behalf before the Commission.

1/11/11
 Date

[Signature]
 Respondent/Agent - Signature

President
 Title (Treasurer/Candidate/Owner)

 NAMED RESPONDENT: Coos Bay-North Bend Rotary
International Club, Dist. 5110

 MAILING ADDRESS: P.O. Box 1344
 (Please Print)
Coos Bay, OR 97420

TELEPHONE- HOME

BUSINESS (541) 269-1123

Information is being sought as part of an investigation being conducted by the Federal Election Commission and the confidentiality provisions of 2 U.S.C. § 437g(a)(12)(A) apply. This section prohibits making public any investigation conducted by the Federal Election Commission without the express written consent of the person under investigation